



4004

ANNUAL REPORT

OF

Name: WAUNAKEE TELEPHONE COMPANY

Principal Office: 103 BACON STREET
P.O. BOX 218
WAUNAKEE, WI 53597-1423

For the Year Ended: DECEMBER 31, 1996

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used, however please show the exact name of the respondent in full on the "Identification and Ownership" page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the notes to the income statement or the balance sheet, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
CO	.....	Central Office
Depr	.....	Depreciation
Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
FOY	.....	First of Year
Info	.....	Information
ITC	.....	Investment Tax Credit
Misc	.....	Miscellaneous
Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
Prop	.....	Property
Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
Svcs	.....	Services
Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: WAUNAKEE TELEPHONE COMPANY
Utility Location: 103 BACON STREET
P.O. BOX 218
WAUNAKEE, WI 53597-1423

Utility Web Site Address:

When was utility organized?: 07/01/1956

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR GERALD A. RINGLUND
Title: ASSISTANT TREASURER

Office Address: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON, WI 53705-0158

Fax Number: (608) 845 - 4519
Telephone Number: (608) 845 - 4554
Email Address: gerald.ringlund@teldta.com

Individual or firm, if other than utility employee, preparing this report

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Person responsible for financial information contained in report

Name: MR GERALD A. RINGLUND
Title: ASSISTANT TREASURER

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Fax Number: (608) 845 - 4619
Telephone Number: (608) 845 - 4554
Email Address: gerald.ringlund@teldta.com

Person responsible for statistical information contained in report

Name: X VARIOUS CONTACTS
Title: X

B

Office Address: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON, WI 53705-0158

Fax Number: (608) 845 - 4519
Telephone Number: (608) 999 - 9999
Email Address:

IDENTIFICATION AND OWNERSHIP

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name:	TDS TELECOMMUNICATIONS CORPORATION
Address:	301 S WESTFIELD RD PO BOX 5158 MADISON, WI 53705-0158
Number of Shares Held:	1,400
Beneficial Owner:	NONE

List companies owned, controlled, or operated and form and extent of such ownership, control or operation.

Company Name:
Form of Interest:
Extent Of Interest:

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	3,324,677	2,976,215	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	244,429	305,295	2
Plant Nonspecific Operations Expense	854,962	833,402	3
Customer Operations Expense (6610-6620)	764,498	656,152	4
Corporate Operations Expense (6710-6790)	622,281	519,827	5
Other Operating Income and Expense (7100)	1,092	1,177	6
Operating Taxes (7200)	340,213	287,299	7
Total Operating Expenses	2,825,291	2,600,798	8
Net Operating Income	499,386	375,417	9
Other Income			
Nonoperating Income and Expense (7300)	26,377	32,508	10
Nonoperating Taxes (7400)	4,736	(1,058)	11
Interest and Related Items (7500)	285,267	241,260	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	16,087	(1,099)	14
Total Nonoperating Income	(247,539)	(208,793)	15
Net Income	251,847	166,624	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

-
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

TELEPHONE PLANT

Telephone plant is stated as the original cost of construction including capitalized costs such as taxes, pensions, and other fringe benefits, and an allowance for funds used during construction (AFUDC).

DEPRECIATION

The company provides depreciation for financial reporting purposes using the straight-line method. Renewals and betterments of units of property are charged to telephone plant in service. The original cost of depreciable property retired, together with removal cost less any salvage realized, is charged to accumulated depreciation. Repairs and renewals of minor items of property are charged to maintenance expense. No gain or loss is recognized in connection with ordinary retirements of depreciable property.

REVENUES

Operating and nonoperating revenues are recognized when earned regardless of the period in which they are billed.

Compensation for all intrastate service is received through tariffed access charges billed to the long distance carrier and retained by the company.

Compensation for interstate access services is received through tariffed access charges filed by the National Exchange Carrier Association (NECA) with the Federal Communications Commission (FCC) on behalf of the member companies. These access charges are billed by the company to the interstate long distance carrier, and pooled with like revenues from all NECA member companies.

PENSION

The company is a member of the Telephone and Data Systems, Inc. Employees' Pension Trust I. This qualified, noncontributory defined contribution pension plan covers substantially all company employees. Under this plan, pension benefits and costs are funded currently.

INCOME TAXES

The company is included in the TDS consolidated federal income tax return. For financial reporting purposes, the company computes its federal income tax by applying the statutory rate to all its taxable income.

The company uses the full-normalization method for all timing differences with the resulting book-tax differences being provisioned through the deferred tax accounts. Deferred income taxes resulting from accelerated depreciation used for income tax purposes had previously been provided through the depreciation accounts. Such deferred taxes are credited to income as the related timing differences reverse. Investment tax credits

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

Income as the related timing differences reverse. Investment tax credits resulting from investments in qualifying telephone plant and equipment have been deferred and are being amortized to income over the service lives of the related property.

-
2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

None.

-
3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

The company is restricted from transferring funds to the parent or other affiliates in the form of cash dividends until certain financial requirements of its mortgage indentures have been met. At December 31, 1996, the company could distribute up to \$997,656 to the parent or other affiliates in the form of cash dividends.

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*		0	1
Cash (1130)	893,619	580,727	2
Special Cash Deposits (1140)	0	0	3
Working Cash Advances (1150)	905	905	4
Temporary Investments (1160)	0	0	5
TOTAL CASH AND EQUIVALENTS	894,524	581,632	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	131,006	83,093	6
Accounts Receivable Allowance-Telecom (1181)*	0	0	7
Net: Telecommunications Accounts Receivable	131,006	83,093	
Other Accounts Receivable (1190)*	833,987	274,903	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	833,987	274,903	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	3,819	2,288	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	968,812	360,284	
SUPPLIES			
Inventories (1220)*	59,717	59,475	13
TOTAL SUPPLIES	59,717	59,475	
PREPAYMENTS			
Total Prepayments (1280)*		0	14
Prepaid Rents (1290)	0	700	15
Prepaid Taxes (1300)	0	0	16
Prepaid Insurance (1310)	0	0	17
Prepaid Directory Expenses (1320)	0	2,591	18
Other Prepayments (1330)	14,672	105,804	19
TOTAL PREPAYMENTS	14,672	109,095	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	1,637	1,772	20
TOTAL OTHER CURRENT ASSETS	1,637	1,772	
TOTAL CURRENT ASSETS	1,939,362	1,112,258	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
Investments in Nonaffiliated Companies (1402)*	128,251	102,141	22
Nonregulated Investments (1406)*	37,583	36,319	23
Unamortized Debt Issuance Expense (1407)*	1,761	1,918	24
Sinking Funds (1408)*	0	0	25

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*	0	0	26
TOTAL INVESTMENTS	167,595	140,378	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	13	19	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	0	0	29
TOTAL DEFERRED CHARGES	13	19	
TOTAL NONCURRENT ASSETS	167,608	140,397	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	9,383,106	8,614,762	30
Less: Accumulated Depreciation (3100)*	3,230,537	2,585,919	31
Less: Accumulated Amortization--Capitalized Leases (3410)*	0	0	32
Less: Accumulated Amortization--Leasehold Improvements (3420)*	0	0	33
Less: Accumulated Amortization--Intangible (3500)*	0	0	34
NET TELECOMMUNICATIONS PLANT IN SERVICE	6,152,569	6,028,843	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	7,193	7,193	35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	2,252	1,904	36
NET PROPERTY HELD FOR FUTURE USE	4,941	5,289	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0	0	37
Less: Accumulated Depreciation--Nonoperating (3300)*	0	0	38
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	274,974	150,383	39
TOTAL TPUC	274,974	150,383	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0	0	40
Less: Accumulated Amortization--Other (3600)*	0	0	41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	6,432,484	6,184,515	
TOTAL ASSETS AND OTHER DEBITS*	8,539,454	7,437,170	

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	607,924	519,681	1
Notes Payable (4020)*	1,537,000	1,537,000	2
Advance Billing and Payments (4030)*	28,623	19,509	3
Customer Deposits (4040)*	290	240	4
Current Maturities--Long-Term Debt (4050)*	69,005	63,900	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	240,584	120,311	7
Other Taxes--Accrued (4080)*	17,379	13,480	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*	0	0	10
Other Accrued Liabilities (4120)*	22,232	54,306	11
Other Current Liabilities (4130)*	5,902	11,848	12
TOTAL CURRENT LIABILITIES*	2,528,939	2,340,275	
LONG-TERM DEBT			
Funded Debt (4210)*	2,318,082	1,683,645	13
Premium on Long-Term Debt (4220)*	0	0	14
Discount on Long-Term Debt (4230)*	0	0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*	0	0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT*	2,318,082	1,683,645	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	133,929	132,873	20
Unamortized Operating ITC--Net (4320)*	1,176	5,695	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	544,777	413,973	23
Net Deferred Tax Liability Adjustments (4341)*	(24,720)	(7,516)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	0	25
Other Deferred Credits (4360)*	0	7,547	26
Deferred Tax Regulatory Liability (4361)*	24,745	0	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	679,907	552,572	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	140,000	140,000	28
Additional Paid-in Capital (4520)*	0	0	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	2,872,525	2,720,677	32
TOTAL STOCKHOLDERS' EQUITY*	3,012,525	2,860,677	
TOTAL LIABILITIES AND OTHER CREDITS*	8,539,453	7,437,169	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	251,847	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	611,109	2
Interest during construction	(129)	3
Changes in assets and liabilities:		
Current assets (net)	(514,212)	4
Other noncurrent assets	(151)	5
Other current liabilities	183,559	6
Other liabilities and deferred credits	127,335	7
Other (specify):		
TOTAL ADJUSTMENTS	407,511	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	659,358	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(858,949)	8
Investments in affiliated companies	0	9
Nonoperating Investments	(27,374)	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(886,323)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	639,856	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	0	14
Dividends paid	(100,002)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	539,854	
NET INCREASE IN CASH AND CASH EQUIVALENTS	312,889	
Cash and cash equivalents at beginning of year (Accts. 1130-1160 for Class A; 1120 for Class B)		
Cash and cash equivalents at end of year (Accts. 1130-1160 for Class A; 1120 for Class B)		

IMPORTANT CHANGES DURING THE YEAR

1. Give the name and address of all companies which during the year came under the direct control of the respondent otherwise than through title to securities, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

None

2. Give the name and address of all companies which during the year came under the indirect control of the respondent through non-reporting intermediaries, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, the name and address of the intermediary through which the indirect control exists, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

None

3. Important leaseholds acquired, given, assigned or surrendered, giving effective dates, lengths of terms, names of parties, rents, and other conditions.

None

4. List extension of system (other than additions supplementing existing facilities of the respondent) whether by purchase, construction, donation, or otherwise, such as a substantially complete telephone system, exchange or toll line. Give the location, new territory covered, and dates of beginning operation, and in case of purchase give also the name and address of the company from which purchased, date of acquisition, the consideration given, and reference to Commission authorization.

None

5. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

Rate increase, July 1996, \$109,400 annual rate increase.

6. Obligation incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue.

None

7. Changes in articles of incorporation or amendments to charter.

None

8. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

None

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
Badger Telecom, Inc.	BADGER	1
BB&W Telephone Company	BB&W	2
Black Earth Telephone Company	BLACK	3
Central Region - Telephone Systems Services Division, Inc.	CR-TSSD	4
Eastcoast Telecom, Inc.	EASTCOAST	5
Grantland Telecom, Inc.	GRANTLAND	6
Midway Telephone Company	MIDWAY	7
Mt. Vernon Telephone Company	MT VERNON	8
Other	OTH	9
Scandinavia Telephone Company	SCAND	10
Suttle Press, Inc.	SUTTLE	11
TDS TELECOMMUNICATIONS, INC.	TDS TEL	12
TDS TELECOM Inc.	TDS TELCOM	13
TDS Computing Services, Inc.	TDS/CS	14
Tennessee Telephone Company	TN TEL	15
Telephone Systems Services Division, Inc. Chicago	TSSD-CHIC	16
Telephone System Services Division, Inc. Madison	TSSD-MDN	17
Telecommunucations Technologies Fund, Inc.	TTF	18

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	0005-TI-000124	0005-TI-000124	None	0005-TI-000124	
Name of Affiliate	OTH	OTH	SUTTLE	TDS TELCOM	1
Designate whether billed to or from:	FROM	TO	FROM	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	M	C	3
Revenues				234	4
Expenses:					
Plant Specific Operations Expense	2,825		7	12,415	5
Plant Nonspecific Operations Expense	110	605	425	150,400	6
Customer Operations Expense	101	3,931	776	279,849	7
Corporate Operations Expense			223	468,154	8
Total Operating Expenses	3,036	4,536	1,431	910,818	9
Other:					
Plant Accounts	5,276			198,501	10
Accumulated Depreciation					11
Accumulated Amortization					12
Clearing				1,257	13
All Other	129			8,963	14
Total	8,441	4,536	1,431	1,119,773	15
Percent of affiliate's business billed to all affiliated regulated utilities			58.60		16
If cost based, rate of return on equity or markup incorporated in billings	0.00			0.00	17
Footnotes					

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	0005-TI-000124				
Name of Affiliate	TDS/CS				1
Designate whether billed to or from:	FROM				2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C				3
Revenues					4
Expenses:					
Plant Specific Operations Expense	800				5
Plant Nonspecific Operations Expense	8,336				6
Customer Operations Expense	122,753				7
Corporate Operations Expense	16,767				8
Total Operating Expenses	148,656	0	0	0	9
Other:					
Plant Accounts	198,501				10
Accumulated Depreciation					11
Accumulated Amortization					12
Clearing					13
All Other	155				14
Total	347,312	0	0	0	15
Percent of affiliate's business billed to all affiliated regulated utilities					16
If cost based, rate of return on equity or markup incorporated in billings	15.10				17
Footnotes					

AFFILIATED ASSETS AND LIABILITIES

This schedule should be used to report affiliated activity concerning balances at the end of the year for the following accounts: 1120, Cash and Equivalents; 1160, Temporary Investments; 1180, Telecommunications Accounts Receivable; 1190, Other Accounts Receivable; 1210, Interest and Dividends Receivable; 1401, Investment in Affiliated Companies; 4010, Accounts Payable; and 4260, Advances from Affiliated Companies. Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "other" for a particular account. Affiliated amounts recorded in accounts 1200, Notes Receivable, 1408, Sinking Funds, and 4020, Notes Payable, should not be reported in this schedule, but rather in the respective schedules contained elsewhere in this report.

Name of Affiliate (a)	Account Number (b)	Balance EOY (c)	
TDS TELECOMMUNICATIONS, INC.	1190	289,105	1
TDS TELECOM Inc.	1190	87,709	2
Mt. Vernon Telephone Company	4010	2,022	3
TDS TELECOM Inc.	4010	71,720	4
Tennessee Telephone Company	4010	23,889	5
Telecommunucations Technologies Fund, Inc.	4010	11,581	6

ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

This schedule should be used to report accounts receivable net write off activity.

Particulars (a)	Amount (b)	
Collection of amounts previously written off	0	1
Uncollectibles written off during the year	0	2
Net write offs during the year	0	

NOTES RECEIVABLE (ACCT. 1200) AND ALLOWANCES (ACCT. 1201)

For affiliates, list by issue or note by affiliate. Other, list by issue or note by entity. Separately identify economic development loans and associated particulars.

Name of Maker and purpose (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Amount EOY (e)	Allowance Acct. 1201 (f)
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NONE

Total				<u><u>0</u></u>	<u><u>0</u></u>	1
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INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	126,251	1
Other:		
RTB Class C Stock	2,000	2
Total Investments in Nonaffiliated Companies	128,251	

NONREGULATED INVESTMENTS (ACCT. 1406)

Report below the name and end-of-year balance of total net investment and inventory (accts. 1406.10, 1406.11 and 1406.12) for each nonregulated activity. Telephone utilities not subject to dual jurisdiction should report materials and supplies held for resale in account 1406.

Name (a)	Balance EOY (b)	
<hr/>		
Total Net Investment and Inventory (Accts. 1406.10, 1406.11, and 1406.12):		
Terminal Equipment	37,583	1

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

List items individually by Commission approval noting the date of approval.

Description of Item (a)	Balance EOY (b)	
None	0	1
Total	0	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	26,751	0	1
Motor Vehicles	2112	122,407	0	2
Aircraft	2113	0	0	3
Special Purpose Vehicles	2114	0	0	4
Garage Work Equipment	2115	0	0	5
Other Work Equipment	2116	70,200	28,583	6
Buildings	2121	237,517	100,348	7
Furniture	2122	6,932	0	8
Office Equipment	2123	37,542	23,206	9
General Purpose Computers	2124	340,006	243,072	10
TOTAL--GENERAL SUPPORT ASSETS:		841,355	395,209	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0	0	11
Digital Electronic Switching	2212	1,764,763	118,933	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0	0	14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	997,681	87,308	16
TOTAL--CENTRAL OFFICE ASSETS:		2,762,444	206,241	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0	0	17
Customer Premises Wiring	2321	0	0	18
Large Private Branch Exchanges	2341	0	0	19
Public Telephone Terminal Equipment	2351	50,655	0	20
Other Terminal Equipment	2362	0	0	21
TOTAL--INFORMATION ORIG/TERM ASSETS:		50,655	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	16,279	0	22
Aerial Cable	2421	222,616	4,180	23
Underground Cable	2422	473,056	0	24
Buried Cable	2423	3,488,793	202,435	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0	0	27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	20,019	1,415	29
Conduit Systems	2441	738,766	0	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		4,959,529	208,030	
AMORTIZABLE ASSETS				
Capital Leases	2681	0	0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111	0	0	26,751	1
2112	0	0	122,407	2
2113	0	0	0	3
2114	0	0	0	4
2115	0	0	0	5
2116	0	0	98,783	6
2121	0	0	337,865	7
2122	0	0	6,932	8
2123	2,196	0	58,552	9
2124	22,100	0	560,978	10
	24,296	0	1,212,268	
2211	0		0	11
2212	0	0	1,883,696	12
2215	0	0	0	13
2220	0	0	0	14
2231	0	0	0	15
2232	0	0	1,084,989	16
	0	0	2,968,685	
2311	0	0	0	17
2321	0	0	0	18
2341	0	0	0	19
2351	0	0	50,655	20
2362	0	0	0	21
	0	0	50,655	
2411	520	0	15,759	22
2421	5,854	0	220,942	23
2422	0	0	473,056	24
2423	9,313	0	3,681,915	25
2424	0	0	0	26
2425	0	0	0	27
2426	0	0	0	28
2431	419	0	21,015	29
2441	735	0	738,031	30
	16,841	0	5,150,718	
2681	0	0	0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
AMORTIZABLE ASSETS				
Leasehold Improvements	2682	0	0	32
Intangibles	2690	780	0	33
TOTAL--AMORTIZABLE ASSETS:		780	0	
TOTAL TELECOM. PLANT IN SERVICE	2001	8,614,763	809,480	
Less: Allocation to Nonregulated Activity - EOY	2001			34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001			

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682	0	0	0	32
2690	0	0	780	33
	0	0	780	
	41,137	0	9,383,106	
2001				34
			9,383,106	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	8,825		1
Company Communications Equipment	2123.2	28,717	23,206	2
Software	2212.1	0	0	3
Digital Switching - Central Office	2212.2	1,720,423	163,273	4
Digital Switching - Remote	2212.3	44,340	(44,340)	5
Step by Step Switching	2215.1	0	0	6
Crossbar Switching	2215.2	0	0	7
Satellite and Earth Station Facilities	2231.1	0	0	8
Other Radio Facilities	2231.2	0	0	9
Digital Circuit Equipment	2232.1	815,161	51,109	10
Analog Circuit Equipment	2232.2	0	0	11
Light Wave Circuit Equipment	2232.3	182,520	36,199	12
Aerial Cable - Nonmetallic	2421.1	0	0	13 A
Aerial Cable - Metallic	2421.2	222,616	4,180	14 A
Underground Cable - Nonmetallic	2422.1	36,974	0	15
Underground Cable - Metallic	2422.2	436,082	0	16
Buried Cable - Nonmetallic	2423.1	268,555	0	17
Buried Cable - Metallic	2423.2	3,220,238	202,435	18
Submarine Cable - Nonmetallic	2424.1	0	0	19
Submarine Cable - Metallic	2424.2	0	0	20
Intrabuilding Cable - Nonmetallic	2426.1	0	0	21
Intrabuilding Cable - Metallic	2426.2	0	0	22

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)
(cont.)

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1	2,196	0	6,629	1
2123.2	0	0	51,923	2
2212.1	0	0	0	3
2212.2	0	0	1,883,696	4
2212.3	0	0	0	5
2215.1	0	0	0	6
2215.2	0	0	0	7
2231.1	0	0	0	8
2231.2	0	0	0	9
2232.1	0	0	866,270	10
2232.2	0	0	0	11
2232.3	0	0	218,719	12
2421.1	0	1,998	1,998	13 A
2421.2	5,854	(1,998)	218,944	14 A
2422.1	0	0	36,974	15
2422.2	0	0	436,082	16
2423.1	0	0	268,555	17
2423.2	9,313	0	3,413,360	18
2424.1	0	0	0	19
2424.2	0	0	0	20
2426.1	0	0	0	21
2426.2	0	0	0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	48,837	18.0	20,389	0	1
Aircraft	2113	0				2
Special Purpose Vehicles	2114	0				3
Garage Work Equipment	2115	0				4
Other Work Equipment	2116	30,292	10.0	7,720	0	5
Buildings	2121	110,277	3.4	8,196	0	6
Furniture	2122	1,759	10.0	696	0	7
Office Equipment	2123	34,045	19.86	6,455	0	8
General Purpose Computers	2124	183,030	20.0	82,132	0	9
Total-- GENERAL SUPPORT ASSETS		408,240		125,588	0	
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0				10
Digital Electronic Switching	2212	259,506	8.62	151,053	0	11
Electro-Mechanical Switching	2215	0				12
Operator Systems	2220	0				13
Radio Systems	2231	0				14
Circuit Equipment	2232	472,874	9.76	93,790	0	15
Total-- CENTRAL OFFICE ASSETS		732,380		244,843	0	
INFORMATION ORIG/TERM ASSETS						
Station Apparatus	2311	0				16
Customer Premises Wiring	2321	0				17
Large Private Branch Exchanges	2341	0				18
Public Telephone Terminal Equipment	2351	36,284	13.6	6,888		19
Other Terminal Equipment	2362	0				20
Total-- INFORMATION ORIG/TERM ASSETS		36,284		6,888	0	
CABLE WIRE FACILITIES ASSETS						
Poles	2411	17,775	10.0	1,632		21
Aerial Cable	2421	199,354	6.0	13,391	0	22
Underground Cable	2422	79,286		20,700		23
Buried Cable	2423	1,031,154	4.99	175,879		24
Submarine Cable	2424	0				25
Deep Sea Cable	2425	0				26
Intrabuilding Network Cable	2426	0				27
Aerial Wire	2431	11,325	19.0	3,852		28

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	70,120	3.03	22,380	29
Total-- CABLE WIRE FACILITIES ASSETS		1,409,014		237,834	0
Total Accumulated Depreciation	3100	2,585,918		615,153	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100					
Columns e, f and I					

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	0	0	500	0	69,726	1
2113	0				0	2
2114	0				0	3
2115	0				0	4
2116	0	0	0	0	38,012	5
2121	0	0	0	0	118,473	6
2122	0	0	0	0	2,455	7
2123	2,196	0	100	0	38,404	8
2124	22,100				243,062	9
	24,296	0	600	0	510,132	
2211	0				0	10
2212	0	0	17,800	45,529	473,888	11
2215	0				0	12
2220	0				0	13
2231	0				0	14
2232	0	0	0	7,666	574,330	15
	0	0	17,800	53,195	1,048,218	
2311	0				0	16
2321	0				0	17
2341	0				0	18
2351	0				43,172	19
2362	0				0	20
	0	0	0	0	43,172	
2411	520	155			18,732	21
2421	5,854	157		0	206,734	22
2422	0				99,986	23
2423	9,313	190		0	1,197,530	24
2424	0				0	25
2425	0				0	26
2426	0				0	27
2431	419	490			14,268	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441	735				91,765	29
	16,841	992	0	0	1,629,015	
3100	41,137	992	18,400	53,195	3,230,537	
3100						30
3100						

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
Office Support Equipment	2123.1	5,287	19.0	1,680	0	1
Company Communications Equipment	2123.2	28,758	20.0	4,775	0	2
Software	2212.1	0				3
Digital Switching - Central Office	2212.2	(47,152)	8.62	149,313	0	4 A
Digital Switching - Remote	2212.3	306,658	7.85	1,740	0	5 A
Step by Step Switching	2215.1	0				6
Crossbar Switching	2215.2	0				7
Satellite and Earth Station Facilities	2231.1	0				8
Other Radio Facilities	2231.2	0				9
Digital Circuit Equipment	2232.1	441,610	9.7799	75,589	0	10 A
Analog Circuit Equipment	2232.2	0				11
Light Wave Circuit Equipment	2232.3	31,264	9.5	18,201	0	12
Aerial Cable - Nonmetallic	2421.1	0	4.8	96	0	13 A
Aerial Cable - Metallic	2421.2	199,354	6.0	13,295		14
Underground Cable - Nonmetallic	2422.1	3,216	4.1	1,512		15
Underground Cable - Metallic	2422.2	76,070	4.4	19,188		16
Buried Cable - Nonmetallic	2423.1	996,108	4.8	12,888		17 A
Buried Cable - Metallic	2423.2	35,046	5.0	162,991		18 A
Submarine Cable - Nonmetallic	2424.1	0				19
Submarine Cable - Metallic	2424.2	0				20
Intrabuilding Cable - Nonmetallic	2426.1	0				21
Intrabuilding Cable - Metallic	2426.2	0				22

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1	2,196	0	100	0	4,871	1
2123.2	0	0	0	0	33,533	2
2212.1	0				0	3
2212.2	0	0	17,800	353,927	473,888	4 A
2212.3	0	0	0	(308,398)	0	5 A
2215.1	0				0	6
2215.2	0				0	7
2231.1	0				0	8
2231.2	0				0	9
2232.1	0			7,666	524,865	10 A
2232.2	0				0	11
2232.3	0	0	0	0	49,465	12
2421.1	0			96	192	13 A
2421.2	5,854	157		(96)	206,542	14
2422.1	0				4,728	15
2422.2	0				95,258	16
2423.1	0			(961,062)	47,934	17 A
2423.2	9,313	190		961,062	1,149,596	18 A
2424.1	0				0	19
2424.2	0				0	20
2426.1	0				0	21
2426.2	0				0	22

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)

This schedule should be used to report the deferred operating income tax portion of the stated accounts. In addition, column (e) of this schedule should be used to report the flowback of property related excess deferred taxes (e.g., 46 percent versus 34 percent federal tax rates). Credit amounts should be shown in ().

Particulars (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	19	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(401,645)	5
Net Deferred Tax Liability Adjustments (4341)	7,516	6
Deferred Tax Regulatory Liability (4361)	(7,547)	7
Net Property Related Deferred Operating Income Taxes	(401,657)	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	(401,657)	
NONPROPERTY RELATED		
Other Current Assets (1350)	1,772	9
Other Noncurrent Assets (1410)	0	10
Deferred Tax Regulatory Asset (1437)	0	11
Net Current Deferred Operating Income Taxes (4100)	0	12
Net Noncurrent Deferred Operating Income Taxes (4340)	(12,328)	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	(10,556)	

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361) (cont.)

Acct (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance EOY (g)	
7250				0	1
7250				0	2
	(6)			13	3
7250	0			0	4
7250	(141,283)		(1,849)	(544,777)	5
	17,204			24,720	6
	(17,198)			(24,745)	7
	(141,283)	0	(1,849)	(544,789)	
	0			0	8
	(141,283)	0	(1,849)	(544,789)	
7250			(135)	1,637	9
7250				0	10
				0	11
7250				0	12
7250	10,837		1,491	0	13
			0	0	14
				0	15
	10,837	0	1,356	1,637	

NOTES PAYABLE (ACCT. 4020)

For affiliate, list note by affiliate. For a particular affiliate, the identical affiliate name, as shown in the Affiliate Abbreviations schedule, should be reported in this schedule. For other, list by note by entity.

Name (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Balance EOY (e)	
Affiliated:					
Telecommunications Technologies Fund, Inc.	07/01/1996	07/01/1997	9.0000	1,537,000	1
Total Affiliated				<u>1,537,000</u>	
Total Notes Payable				<u><u>1,537,000</u></u>	

LONG-TERM DEBT

Report data requested and show total for each long-term debt account at end of year. Information concerning the following debt issues may be reported on individual lines in aggregate: REA/RTB 2%, REA/RTB 5%, & REA/RTB 7%. In addition, REA/RTB and FFB debt, respectively, within a range of 200 basis points may also be reported in aggregate on individual lines. If reported in aggregate, a range of dates may be reported in columns (b) and (c) as well as a range of interest rates in column (d) and a composite interest rate in column (e). If aggregation is not utilized, column (e) should contain the same interest rate as reported in column (d). For account 4050 report only the amount of debt anticipated to be repaid in one year or less.

Description of Debt (a)	Specific or Range of Stated Dates of Issue (b)	Specific or Range of Stated Dates of Maturity (c)	Specific or Range of Interest Rates (d)	
Funded Debt (Account 4210):				
RUS/RTB	03/14/1964-01/23/1976	03/14/1996-01/23/2005	2.0000	1
RUS/RTB	02/25/1977-05/06/1996	02/26/2028-05/06/2031	6.3500-7.5000	2
Total Funded Debt				

LONG-TERM DEBT (cont.)

Composite Interest Rate (e)	Held by Utility		Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)	
	Reacquired Debt Acct. 4240 (f)	Sinking Funds Acct. 1408 (g)				
2.0000			110,642	18,420	129,062	1
6.9368			2,207,440	50,585	2,258,025	2
	0	0	2,318,082	69,005	2,387,087	

CAPITAL STOCK ACCOUNTS AT END OF YEAR

In column (a) indicate the stated dividend rate applicable to each series of preferred stock.

Class and Series (a)	Shares Authorized by Charter (b)	Par Value per Share (c)	Call Price End of Year (d)
COMMON STOCK:			
	3,650	100.00	1
TOTAL COMMON STOCK	3,650		
TOTAL	<u>3,650</u>		

CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares	Amount	Shares	Amount	
	(e)	(f)	(g)	(h)	
COMMON STOCK:					
	1,400	140,000			1
	1,400	140,000	0	0	
TOTAL	<u>1,400</u>	<u>140,000</u>	<u>0</u>	<u>0</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	2,720,680	2,661,237	1
Changes:			
Balance Transferred from Income	251,847	166,627	2
Dividends Declared:			
Common	100,002	107,184	3
Preferred		0	4
Total Dividends Declared	100,002	107,184	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	<u>2,872,525</u>	<u>2,720,680</u>	

DISTRIBUTION OF TAXES

1. Report hereunder the summary accounts and functions charged with taxes accrued during the year.
2. Where allocation is necessary, explain the basis used.
3. Report in a footnote the amounts and kind of taxes cleared from prepaid taxes, if any.

Summary Account/ Function Charged (a)	Wisconsin License Fee (b)	Wisconsin Income Tax (c)	Federal Income Tax (d)	
Operating Taxes (Accts. 7210 - 7250)	185,193	29,588	116,335	1
Nonoperating Taxes (Accts. 7410 - 7450)		933	3,803	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		677	2,731	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
TOTAL	<u>185,193</u>	<u>31,198</u>	<u>122,869</u>	

DISTRIBUTION OF TAXES (cont.)

PSC Remainder Assessment (e)	Local Property Tax (f)	State & Local Taxes Other than Wisconsin (g)	Other Taxes (h)	Payroll Taxes (i)	Total (j)	
8,024	0		1,073		340,213	1
					4,736	2
					0	3
					3,408	4
					0	5
					0	6
					0	7
					0	8
					0	9
8,024	0	0	1,073	0	348,357	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*			1
Basic Area Revenue (5001)	1,022,841	901,573	2
Optional Extended Area Revenue (5002)	0	0	3
Cellular Mobile Revenue (5003)	0	0	4
Other Mobile Services Revenue (5004)	0	0	5
Public Telephone Revenue (5010)	9,939	11,841	6
Local Private Line Revenue (5040)	20,396	12,087	7 C
Customer Premises Revenue (5050)	200	349	8
Other Local Exchange Revenue (5060)	182,278	133,425	9 D
Other Local Exchange Revenue Settlements (5069)	0	0	10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	1,235,654	1,059,275	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	301,181	277,139	11
Switched Access Revenue (5082)*	970,525	899,329	12
Special Access Revenue (5083)*	0	0	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,271,706	1,176,468	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	379,813	300,994	15 E
Special Access Revenue (5084.3)*	112,867	112,838	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	492,680	413,832	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	0	0	17
Long Distance Inward-Only Revenue (5111)	0	0	18
Long Distance Outward-Only Revenue (5112)	0	0	19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)	0	0	20
Voice Grade Revenue (5122)	0	0	21
Audio Program Grade Revenue (5123)	0	0	22
Video Program Grade Revenue (5124)	0	0	23
Digital Transmission Revenue (5125)	0	0	24
Switching Revenue (5126)	0	0	25
Other Revenue (5128)	0	0	26
Other Revenue Settlements (5129)	0	0	27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)	0	0	28
Other Long Distance Revenue Settlements (5169)	0	0	29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	0	0	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	177,798	171,158	30
Rent Revenue (5240)*	0	12	31
Corporate Operations Revenue (5250)*	0	0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*			33
Special Billing Arrangements Revenue (5261)	0	0	34
Customer Operations Revenue (5262)	0	0	35
Plant Operations Revenue (5263)	0	0	36
Other Incidental Regulated Revenue (5264)	(4,839)	5,019	37 F
Other Revenue Settlements (5269)	1,442	1,261	38
Total Miscellaneous Revenue (5260)	(3,397)	6,280	
Interstate Billing and Collection Revenue*	87,811	67,420	39 G
Intrastate Billing and Collection Revenue*	64,699	85,061	40 H
Total Carrier Billing and Collection Revenue (5270)*	152,510	152,481	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	326,911	329,931	
GROSS OPERATING REVENUES	3,326,951	2,979,506	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*			42
Uncollectible Revenue--Telecommunications (5301)	2,324	2,676	43
Uncollectible Revenue--Other (5302)	(50)	615	44
TOTAL UNCOLLECTIBLE REVENUE (5300)	2,274	3,291	
TOTAL OPERATING REVENUES	3,324,677	2,976,215	

** Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
PLANT SPECIFIC OPERATIONS EXPENSE				
Total Network Support Expense (6110)	5,509	9,444	693	1
Less: Nonregulated		0	0	2
Net Regulated	5,509	9,444	693	3
Total General Support Expense (6120)	94,280	75,641	14,492	4
Less: Nonregulated		0	0	5
Net Regulated	94,280	75,641	14,492	6
Total Central Office Switching Expense (6210)	59,170	52,513	7,544	7
Less: Nonregulated		0	0	8
Net Regulated	59,170	52,513	7,544	9
Total Operator Systems Expense (6220)		0	0	10
Less: Nonregulated		0	0	11
Net Regulated	0	0	0	12
Total Central Office Transmission Expenses (6230)	11,666	12,885	6,306	13
Less: Nonregulated		0	0	14
Net Regulated	11,666	12,885	6,306	15
Total Information Orig. / Term. Expense (6310)	2,748	1,093	588	16
Less: Nonregulated		0	0	17
Net Regulated	2,748	1,093	588	18
Total Cable and Wire Fac. Expense (6410)	131,922	92,853	59,178	19
Less: Nonregulated		0	0	20 I
Net Regulated	131,922	92,853	59,178	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	305,295	244,429	88,801	
Less: Nonregulated	0	0	0	
Net Regulated	305,295	244,429	88,801	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	0	(7,187)	3,321	22
Less: Nonregulated		0	0	23 J
Net Regulated	0	(7,187)	3,321	24
Total Network Operations Expense (6530)	180,527	251,040	82,377	25
Less: Nonregulated		0	0	26 K
Net Regulated	180,527	251,040	82,377	27
Access Expense (6540)		0	0	28
Less: Nonregulated		0	0	29
Net Regulated	0	0	0	30
Total Depreciation and Amortization Expense (6560)	652,875	611,109		31
Less: Nonregulated		0		32
Net Regulated	652,875	611,109		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	833,402	854,962	85,698	
Less: Nonregulated	0	0	0	
Net Regulated	833,402	854,962	85,698	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110	325	0	34,524	(26,098)	1
	0	0	0	0	2
	325	0	34,524	(26,098)	3
6120	8,330	19,290	33,529	0	4
	0	0	0	0	5
	8,330	19,290	33,529	0	6
6210	4,299	0	40,670	0	7
	0	0	0	0	8
	4,299	0	40,670	0	9
6220	0	0	0	0	10
	0	0	0	0	11
	0	0	0	0	12
6230	3,531	0	3,048	0	13
	0	0	0	0	14
	3,531	0	3,048	0	15
6310	505	0	0	0	16
	0	0	0	0	17
	505	0	0	0	18
6410	33,772	2,215	(2,312)	0	19
	0	0	0	0	20 I
	33,772	2,215	(2,312)	0	21
	50,762	21,505	109,459	(26,098)	
	0	0	0	0	
	50,762	21,505	109,459	(26,098)	
6510	1,679	0	(12,187)	0	22
	0		0	0	23 J
	1,679		(12,187)	0	24
6530	36,041	0	180,029	(47,407)	25
	0	0	0	0	26 K
	36,041	0	180,029	(47,407)	27
6540	0	0	0	0	28
	0	0	0	0	29
	0	0	0	0	30
6560			611,109		31
			0		32
			611,109		33
	37,720	0	778,951	(47,407)	
	0	0	0	0	
	37,720	0	778,951	(47,407)	

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
CUSTOMER OPERATIONS EXPENSE				
Total Marketing (6610)	102,620	180,903	12,842	34
Less: Nonregulated		0	0	35 L
Net Regulated	102,620	180,903	12,842	36
Total Services (6620)	553,532	583,595	98,688	37
Less: Nonregulated		0	0	38
Net Regulated	553,532	583,595	98,688	39
TOTAL CUSTOMER OPERATIONS EXPENSE	656,152	764,498	111,530	
Less: Nonregulated	0	0	0	
Net Regulated	656,152	764,498	111,530	
CORPORATE OPERATIONS EXPENSE				
Total Exec. and Planning (6710)	165,080	127,053	30,985	40
Less: Nonregulated		0	0	41 M
Net Regulated	165,080	127,053	30,985	42
Total General and Administrative (6720)	354,747	495,228	25,294	43
Less: Nonregulated		0	0	44 N
Net Regulated	354,747	495,228	25,294	45
Provision for Uncollectible Notes Receiv. (6790)		0		46
Less: Nonregulated		0		47
Net Regulated	0	0		48
TOTAL CORPORATE OPERATIONS EXPENSE	519,827	622,281	56,279	
Less: Nonregulated	0	0	0	
Net Regulated	519,827	622,281	56,279	
TOTAL EXPENSES	2,314,676	2,486,170	342,308	
Less: Nonregulated	0	0	0	
Net Regulated	2,314,676	2,486,170	342,308	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610	3,985	5,490	158,586	0	34
	0	0	0	0	35 L
	3,985	5,490	158,586	0	36
6620	41,653		443,254	0	37
	0		0	0	38
	41,653		443,254	0	39
	45,638	5,490	601,840	0	
	0	0	0	0	
	45,638	5,490	601,840	0	
6710	10,954		85,114	0	40
	0		0	0	41 M
	10,954		85,114	0	42
6720	11,675		458,259	0	43
	0		0	0	44 N
	11,675		458,259	0	45
6790			0		46
			0		47
			0		48
	22,629	0	543,373	0	
	0	0	0	0	
	22,629	0	543,373	0	
	156,749	26,995	2,033,623	(73,505)	
	0	0	0	0	
	156,749	26,995	2,033,623	(73,505)	

EXPENSE MATRIX - CLASS A & B (DETAIL)

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. (6511)		0	0	1
Provisioning Expense (6512)	0	(7,187)	3,321	2
Total: Reported in Account 6510	0	(7,187)	3,321	
Depreciat. Exp.--Tele. Plant in Service (6561)	652,527	610,761		3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)	348	348		4
Amortization Expense--Tangible (6563)		0		5
Amortization Expense--Intangible (6564)		0		6
Amortization Expense--Other (6565)		0		7
Total: Reported in Account 6560	652,875	611,109		

EXPENSE MATRIX - CLASS A & B (DETAIL) (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511	0		0	0	1
6512	1,679		(12,187)	0	2
	1,679		(12,187)	0	
6561			610,761		3
6562			348		4
6563			0		5
6564			0		6
6565			0		7
			611,109		

OUT-OF-STATE OPERATING REVENUES

1. This schedule is to be completed only by those companies having out-of-state revenues. For the purpose of completing this schedule, and for PSCW use in calculating Wisconsin remainder assessment revenues, out-of-state revenues are specifically defined in headnote 2.
2. Out-of-state revenues are those derived exclusively from communications physically originating outside of Wisconsin. Out-of-state revenues do not include a) access revenues from "inbound" communications originating outside the state, or b) revenues from communications originating in Wisconsin and terminating outside the state, or c) revenues allocable to Wisconsin-based facilities used for communications originating and terminating outside of the state.

Description (a)	This Year (b)	
Out-of-state operating revenues	0	1
Less: current year write-offs of uncollectible accounts - out-of-state utility customers only	0	2
Plus: current year collection of out-of-state utility customer accounts previously written off	0	3
Net out-of-state operating revenues	0	

OTHER INCOME ACCOUNTS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Income from Custom Work (7110)*	0	0	1
Return from Nonregulated Use of Regulated Facilities (7130)*	1,092	1,177	2
Gains and (Losses) from Foreign Exchange (7140)	0	0	3
Gains or (Losses) from the Disposition of Land and Artworks (7150)	0	0	4
Other Operating Gains and (Losses) (7160)*	0	0	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	1,092	1,177	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(4,519)	(4,519)	6
Operating Federal Income Taxes (7220)*	11,768	112,164	7
Operating State and Local Income Taxes (7230)*	7,870	29,277	8
Operating Other Taxes (7240)*	194,290	174,322	9
Provision for Deferred Operating Income Taxes--Net (7250)*	130,804	(23,945)	10
TOTAL OPERATING TAXES (7200)*	340,213	287,299	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	150	150	11
Interest Income (7320)*	38,046	21,637	12
Income from Sinking and Other Funds (7330)*	0	0	13
Allowance for Funds Used During Construction (7340)*	129	24,007	14
Gains or (Losses) from the Disposition of Certain Property (7350)*	0	0	15
Other Nonoperating Income (7360)*	745	(298)	16
Special Charges (7370)*	12,693	12,988	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	26,377	32,508	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	3,803	(850)	19
Nonoperating State and Local Income Taxes (7430)*	933	(208)	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	0	0	22
TOTAL NONOPERATING TAXES (7400)*	4,736	(1,058)	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	148,047	108,744	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	157	157	25
Other Interest Deductions (7540)*	137,063	132,359	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	285,267	241,260	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*		0	27
Extraordinary Income Credits (7610)	0	0	28
Extraordinary Income Charges (7620)	0	0	29
Current Income Tax Effect of Extraordinary Items--Net (7630)	0	0	30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)	0	0	31
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	16,087	(1,099)	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	231,337	1
Less: Cost of Goods Sold	68,303	2
Net Sales	163,034	3
Expenses (Acct. 7990.2)	146,947	4
Nonregulated Net Income	<u>16,087</u>	5

List the type of nonregulated activities that company is involved in:

Nonregulated activities include the sale, leasing, installation and maintenance of 1 & 2 line phones, key systems, PBXs and data modems. In addition, nonregulated activities include sales and leasing of mobile and pager equipment where the tariff allows.

If the revenues from an individual nonregulated activity represent in excess of 5% of the total operating revenues for the company, please provide the amounts, as requested above, for that individual activity:

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	342,308	1
Nonregulated Expense	40,468	2
Plant Accounts	54,439	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	104,894	5
Total Salaries and Wages	542,109	6

EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	.00	.00		1
Supervision and Other Management	2.00	2.00	115,996	2
Other Employees	12.00	12.00	404,457	3
Total	14.00	14.00	520,453	

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Other Employees	12.00	12.00	404,457	3
Total	14.00	14.00	520,453	

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange			1
Extended Area Service			2
Extended Community Calling			3
Other Local-Undefined			4
Total Local	0	0	
TOLL			
Operator Handled: State--intraLATA			5
Operator Handled: State--interLATA			6
Operator Handled: Interstate			7
Customer Dialed: State--intraLATA		405	8
Customer Dialed: State--interLATA		734	9
Customer Dialed: Interstate		1,208	10
WATS			11
Other Toll-Undefined			12
Total Toll	0	2,347	
Total Local & Toll	0	2,347	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.					1
Feature Group A -- Term.					2
Feature Group B -- Orig.	9	2			3
Feature Group B -- Term.	83	29			4
Feature Group C -- Orig.					5
Feature Group C -- Term.					6
Feature Group D -- Orig.	8,128	4,816	2,437	3	7
Feature Group D -- Term.	5,264	3,375	2,099	1	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	20	1
Sheath miles of plant - buried	150	2
Sheath miles of plant - fiber optics	42	3
Strand miles of plant - fiber optics	631	4
Route miles of plant - microwave	0	5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	0	22	1
56 kbps	0	6	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	3	3	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

OUTSIDE PLANT STATISTICS AT END OF YEAR

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Sheath miles of plant - aerial	20	1
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SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	754	992	3
2 Party	0		4
4 Party	0		5
PBX Trunks/System Trunks	0		6
Centrex Trunks	0		7
Centrex Lines	572	581	8
Key System Trunks	310	325	9
Mobile (Utility Provided Service)	0		10
Paging (Utility Provided Service)	2		11
FX-Out (Switched)	2	2	12
Pay Telephone			13
Coin-Operated Pay Telephone			14
Independent Pay Telephone Provider			15
Pay Stations - Public	25	25	16
- Semi-Public	4	4	17
- Cust. Owned	0		18
Other	0		19
Total Business Lines	1,669	1,929	20
Residential (Incl. Emp. Concess.)			
1 Party	4,269	4,558	22
2 Party	0		23
4 Party	0		24
FX-Out (Switched)	12	12	25
Other	0	2	26
Total Residential Lines	4,281	4,572	27
Total Bus & Res Lines	5,950	6,501	28
Company Used Lines	4,281	85	29
Total Lines Used	10,231	6,586	30

SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	3	2	3
WATS Lines - 800 Service	1		4
FX-In-intraLATA	36	32	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	0	100	7
Special Access-interLATA			8
(expressed in equiv. access lines)	0	72	9
Feature Group A Lines	0		10
Feature Group B Trunks	0		11
Feature Group C Trunks	0		12
Feature Group D Trunks	336	336	13
TSPS - Trunks	20	20	14
EAS - Trunks	378	431	15
Cellular Trunks (Pub. Sw. Net.)	0	0	16
Video Distance Learning			17
- discounted (special tariff)	0	0	18
Customers			
Business - 2 Party Customers	0		19
Business - 4 Party Customers	0		20
Residential - 2 Party Customers	0		21
Residential - 4 Party Customers	0		22
Other			
Total Central Office, Info. Orig./Term., & Cable			23
Wire Fac. Assets (based on physical			24
location of plant)	7,772,627	8,170,059	25
Total Company Square Miles	60	60	26
Total Company Route Miles	163	163	27
Footnotes			28
			29
			30

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	5670				1
Business					2
1 Party	992				3
2 Party					4
4 Party					5
PBX Trunks/System Trunks					6
Centrex Trunks					7
Centrex Lines	581				8
Key System Trunks	325				9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)	2				12
Pay Telephone					13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider					15
Pay Stations - Public	25				16
- Semi-Public	4				17
- Cust. Owned					18
Other					19
Total Business Lines	1,929	0	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	4,558				22
2 Party					23
4 Party					24
FX-Out (Switched)	12				25
Other	2				26
Total Residential Lines	4,572	0	0	0	27
Total Bus & Res Lines	6,501	0	0	0	28
Company Used Lines	85				29
Total Lines Used	6,586	0	0	0	30

SERVICE DATA - END OF YEAR (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	5670				1
Miscellaneous					2
WATS Lines - OutWATS	2				3
WATS Lines - 800 Service					4
FX-In-intraLATA	32				5
Special Access-intraLATA					6
(equiv. access lines)	100				7
Special Access-interLATA					8
(equiv. access lines)	72				9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks	336				13
TSPS - Trunks	20				14
EAS - Trunks	431				15
Cellular Trunks (Pub. Sw. Net.)	0				16
Video Distance Learning					17
- discounted (special tariff)	0				18
Customers					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	8,170,059				27
Exchange Square Miles	60				28
Exchange Route Miles	163				29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Nippon Electric	NEC	5
Northern Telecom	NTI	6
Siemens	SI	7
Stromberg-Carlson	SC	8
VIDAR	VI	9

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

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CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	WAUNAKEE				1
PSCW Exchange ID	5670				2
Central Office Name	WAUNAKEE				3
PSCW Central Office ID	1				4
Manufacturer of COE (Page 54)	ATT				5
Year COE Installed	1995				6
Type of Equipment (Page 54)	D				7
(S)tandalone, (H)ost, (R)emote	S				8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID					10
COE Generic Software Release No.	SE10				11
SS7?	Yes				12
9-1-1?	Yes				13
Access Lines - In Use	6,586				14
- Equipped	6,720				15
- Wired	6,720				16
Trunks - In Use	787				17
- Equipped	809				18
- Wired	1,577				19
ISDN Available?	Yes				20
ISDN Lines - In Use (BRI)	21				21
- In Use (PRI)	0				22
Switched 56 Service?	No				23
Switched 56 lines in use					24
Digital Transmission Facilities: DS-1 - In Use	6				25
DS-3 - In Use	0				26
Advanced Data Service Available:					
Packet Switching?	No				27
SMDS?	No				28
Frame Relay?	No				29
ATM (Asynchronous Trans. Mode)?	No				30
Video Information - Service Available?	No				31
- In Use (# lines) ¹					32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	90				33
No. of fiber strands working (LIT) in C.O.	36				34
No. of fiber strands for interoffice use	22				35
Miles of fiber sheath in wire center	42				36
Access Tandem Serving this C.O.:					
- C.O. Name	MADISON				37
- PSCW C.O. ID	3080-01				38
Does this C.O. do access tandem switching?	No				39
Equal Access: InterLATA (1+)?	Yes				40
Equal Access: IntraLATA (1+)?	No				41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes**Telephone Calls and Minutes of Use Per Month Footnote. Page 47**

This schedule has been completed to the best of our ability. The information requested by number of telephone calls in column (b) is not available due to a change in our companies method of tracking call traffic. We no longer track by the number of calls. Numbers in column (c), lines 8 through 10, contain both customer dialed and operator handled minutes of use. Further breakdown is not available.

Schedule Line Footnotes

- A) Amounts listed in columns (g) and (k) are reclasses between accounts, transfers with affiliates, or adjustments to the beginning balances pulled incorrectly from last years report.
- B) Contact Gerald Ringlund at (608) 845-4554 with questions on page 47, page 48, page 49 Special Access Circuits only, page 50 lines 1-31, and page 52 lines 1-35. Contact Dave Esser at (608) 845-4530 with questions on page 49 Outside Plant only, page 52 lines 36-44, and page 53 and page 55.
- C) Local private line revenue increased in 1996 due to a coding change of these revenues in 1995. These revenues were included in basic local service until April, 1995.
- D) Other local exchange revenue increased in 1996 due to an increase in rates in July, 1996 for custom calling services, voice mail services, non-recurring charges, and miscellaneous charges.
- E) Intrastate switched access revenue increased in 1996 due to an increase in minutes of use.
- F) Other incidental regulated revenue decreased in 1996 due to reconciliation in 1996 of prior period balances on the balance sheet.
- G) Interstate billing and collection revenue increased in 1996 due to programming development charges for an inter-exchange carrier in 1996.
- H) Intrastate billing and collection revenue decreased in 1996 due to a rate change from Ameritech that resulted in a straight rate for all Wisconsin companies.
- I) Outside repair cost to buried plant decreased.
- J) Other Property, Plant and Equipment expense decreased in 1996 due to a write off of nonexempt material inventory.
- K) Network Operations expense is up due to increased affiliated management administration costs.
- L) Marketing expense is up due to an intensified effort to promote regulated product lines.
- M) Executive and Planning expense is down in 1996 due to a shift of affiliated management expense to General and Administrative.
- N) General and Administrative expense is up in 1996 due to a shift of affiliated management expenses to Executive and Planning.